By Senator Campbell

32-1118-05

A bill to be entitled 2 An act relating to economic-development incentives; amending s. 212.20, F.S.; providing 3 for distribution of a portion of revenues from 4 5 the tax on sales, use, and other transactions 6 to specified units of local government owning 7 eligible convention centers; amending s. 288.1162, F.S.; providing a procedure for 8 9 certification of additional facilities for a 10 retained spring training franchise; providing for application and selection; establishing a 11 12 maximum number of certifications and the 13 funding per application cycle; clarifying the number of certifications of facilities for 14 retained spring training franchises; providing 15 an effective date. 16 17 Be It Enacted by the Legislature of the State of Florida: 18 19 Section 1. Paragraph (d) of subsection (6) of section 20 21 212.20, Florida Statutes, is amended to read: 22 212.20 Funds collected, disposition; additional powers 23 of department; operational expense; refund of taxes adjudicated unconstitutionally collected .--2.4 (6) Distribution of all proceeds under this chapter 25 and s. 202.18(1)(b) and (2)(b) shall be as follows: 26 27 (d) The proceeds of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be distributed as follows: 29 30 1. In any fiscal year, the greater of \$500 million, minus an amount equal to 4.6 percent of the proceeds of the

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taxes collected pursuant to chapter 201, or 5 percent of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in monthly installments into the General Revenue Fund.

- 2. Two-tenths of one percent shall be transferred to the Ecosystem Management and Restoration Trust Fund to be used for water quality improvement and water restoration projects.
- 3. After the distribution under subparagraphs 1. and 2., 8.814 percent of the amount remitted by a sales tax dealer located within a participating county pursuant to s. 218.61 shall be transferred into the Local Government Half-cent Sales Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to be transferred pursuant to this subparagraph to the Local Government Half-cent Sales Tax Clearing Trust Fund shall be reduced by 0.1 percent, and the department shall distribute this amount to the Public Employees Relations Commission Trust Fund less \$5,000 each month, which shall be added to the amount calculated in subparagraph 4. and distributed accordingly.
- 4. After the distribution under subparagraphs 1., 2., and 3., 0.095 percent shall be transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund and distributed pursuant to s. 218.65.
- 5. After the distributions under subparagraphs 1., 2., 3., and 4., 2.0440 percent of the available proceeds pursuant to this paragraph shall be transferred monthly to the Revenue Sharing Trust Fund for Counties pursuant to s. 218.215.
- 6. After the distributions under subparagraphs 1., 2., 3., and 4., 1.3409 percent of the available proceeds pursuant to this paragraph shall be transferred monthly to the Revenue

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Sharing Trust Fund for Municipalities pursuant to s. 218.215. 2 If the total revenue to be distributed pursuant to this subparagraph is at least as great as the amount due from the 3 Revenue Sharing Trust Fund for Municipalities and the former 4 Municipal Financial Assistance Trust Fund in state fiscal year 5 1999-2000, no municipality shall receive less than the amount due from the Revenue Sharing Trust Fund for Municipalities and 8 the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000. If the total proceeds to be distributed 9 are less than the amount received in combination from the 10 Revenue Sharing Trust Fund for Municipalities and the former 11 Municipal Financial Assistance Trust Fund in state fiscal year 13 1999-2000, each municipality shall receive an amount proportionate to the amount it was due in state fiscal year 14 1999-2000. 15

- 7. Of the remaining proceeds:
- a. In each fiscal year, the sum of \$29,915,500 shall be divided into as many equal parts as there are counties in the state, and one part shall be distributed to each county. The distribution among the several counties shall begin each fiscal year on or before January 5th and shall continue monthly for a total of 4 months. If a local or special law required that any moneys accruing to a county in fiscal year 1999-2000 under the then-existing provisions of s. 550.135 be paid directly to the district school board, special district, or a municipal government, such payment shall continue until such time that the local or special law is amended or repealed. The state covenants with holders of bonds or other instruments of indebtedness issued by local governments, special districts, or district school boards prior to July 1, 2000, that it is not the intent of this subparagraph to

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adversely affect the rights of those holders or relieve local governments, special districts, or district school boards of the duty to meet their obligations as a result of previous pledges or assignments or trusts entered into which obligated funds received from the distribution to county governments under then-existing s. 550.135. This distribution specifically is in lieu of funds distributed under s. 550.135 prior to July 1, 2000.

b. The department shall distribute \$166,667 monthly pursuant to s. 288.1162 to each applicant that has been certified as a "facility for a new professional sports franchise" or a "facility for a retained professional sports franchise" pursuant to s. 288.1162. Up to \$41,667 shall be distributed monthly by the department to each applicant that has been certified as a "facility for a retained spring training franchise" pursuant to s. 288.1162; however, not more than\$416,667\$208,335 may be distributed monthly in the aggregate to all certified facilities for a retained spring training franchise. Distributions shall begin 60 days following such certification and shall continue for not more than 30 years. Nothing contained in this paragraph shall be construed to allow an applicant certified pursuant to s. 288.1162 to receive more in distributions than actually expended by the applicant for the public purposes provided for in s. 288.1162(6). However, a certified applicant is entitled to receive distributions up to the maximum amount allowable and undistributed under this section for additional renovations and improvements to the facility for the franchise without additional certification.

c. Beginning 30 days after notice by the Office of Tourism, Trade, and Economic Development to the Department of

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Revenue that an applicant has been certified as the professional golf hall of fame pursuant to s. 288.1168 and is open to the public, \$166,667 shall be distributed monthly, for up to 300 months, to the applicant.

- d. Beginning 30 days after notice by the Office of Tourism, Trade, and Economic Development to the Department of Revenue that the applicant has been certified as the International Game Fish Association World Center facility pursuant to s. 288.1169, and the facility is open to the public, \$83,333 shall be distributed monthly, for up to 168 months, to the applicant. This distribution is subject to reduction pursuant to s. 288.1169. A lump sum payment of \$999,996 shall be made, after certification and before July 1, 2000.
- e. The department shall distribute monthly to units of local government that have been certified as owning eliqible convention centers under s. 288.1171 an amount equal to 50 percent of the proceeds, as defined in paragraph (5)(a), received and collected in the previous month by the department under this chapter which are generated by the eliqible convention centers and remitted on the sales and use tax returns of eligible convention centers. Proceeds, for purposes of this sub-subparagraph, are further defined as all applicable sales taxes collected by an eligible center for standard services provided by center staff to users of the center, which include the following: parking, admission, ticket sales, food services, electrical or like services, space rentals, equipment rentals, and security services. The total distribution to each unit of local government may not exceed \$2 million per state fiscal year. However, total

1 \$10 million each state fiscal year, and the distribution must be limited exclusively to the taxes collected and remitted 2 under this chapter. The department shall prescribe forms 3 required to be filed with the department by eligible 4 convention centers. Distributions shall begin 60 days 5 following notification of certification by the Office of 7 Tourism, Trade, and Economic Development under s. 288.1171 and 8 shall continue for not more than 30 years. Distributions must be used solely to encourage and provide economic development 9 10 for attracting, recruiting, and retaining corporate headquarters and high-technology, manufacturing, research and 11 12 development, entertainment, and tourism industries as 13 designated by the unit of local government by resolution of its governing body. 14 8. All other proceeds shall remain with the General 15 Revenue Fund. 16 Section 2. Paragraph (c) of subsection (5) and 18 subsection (7) of section 288.1162, Florida Statutes, are amended to read: 19 2.0 288.1162 Professional sports franchises; spring 21 training franchises; duties. --22 (5) 23 (c)1. The Office of Tourism, Trade, and Economic Development shall competitively evaluate applications for 2.4 funding of a facility for a retained spring training 2.5 26 franchise. Applications must be submitted by October 1, 2000, 27 with certifications to be made by January 1, 2001. If the 2.8 number of applicants exceeds five and the aggregate funding 29 request of all applications exceeds \$208,335 per month, the office shall rank the applications according to a selection 30 criteria, certifying the highest ranked proposals. The

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evaluation criteria shall include, with priority given in descending order to the following items:

- $\underline{a.1.}$ The intended use of the funds by the applicant, with priority given to the construction of a new facility.
- $\underline{\text{b.2.}}$ The length of time that the existing franchise has been located in the state, with priority given to retaining franchises that have been in the same location the longest.
- c.3. The length of time that a facility to be used by a retained spring training franchise has been used by one or more spring training franchises, with priority given to a facility that has been in continuous use as a facility for spring training the longest.
- $\underline{d.4.}$ For those teams leasing a spring training facility from a unit of local government, the remaining time on the lease for facilities used by the spring training franchise, with priority given to the shortest time period remaining on the lease.
- $\underline{e.5.}$ The duration of the future-use agreement with the retained spring training franchise, with priority given to the future-use agreement having the longest duration.
- $\underline{\text{f.6.}}$ The amount of the local match, with priority given to the largest percentage of local match proposed.
- g.7. The net increase of total active recreation space owned by the applying unit of local government following the acquisition of land for the spring training facility, with priority given to the largest percentage increase of total active recreation space.
- $\underline{\text{h.8.}}$ The location of the facility in a brownfield, an enterprise zone, a community redevelopment area, or other area of targeted development or revitalization included in an Urban

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Infill Redevelopment Plan, with priority given to facilities located in these areas.

i.9. The projections on paid attendance attracted by

- <u>i.9.</u> The projections on paid attendance attracted by the facility and the proposed effect on the economy of the local community, with priority given to the highest projected paid attendance.
- 7 2. Beginning July 1, 2005, the Office of Tourism, 8 Trade, and Economic Development shall competitively evaluate applications for funding of facilities for retained spring 9 10 training franchises in addition to those certified and funded under subparagraph 1. Applications must be submitted by 11 October 1 of each year, with certifications to be made by 12 13 January 1 of the following year. The office shall rank the applications according to selection criteria, certifying no 14 more than five proposals in any application cycle. The 15 aggregate funding request of all applicants certified during 16 any application cycle may not exceed an aggregate funding 18 request of \$208,335 per month. The evaluation criteria must include the following, with priority given in descending 19 order: 20
 - a. The intended use of the funds by the applicant for acquisition or construction of a new facility.
 - b. The intended use of the funds by the applicant to renovate a facility.
 - c. The length of time that a facility to be used by a retained spring training franchise has been used by one or more spring training franchises, with priority given to a facility that has been in continuous use as a facility for spring training the longest.
- d. For those teams leasing a spring training facility

 from a unit of local government, the remaining time on the

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lease for facilities used by the spring training franchise,
with priority given to the shortest time period remaining on
the lease. For consideration under this subparagraph, the
remaining time on the lease may not exceed 4 years.

- e. The duration of the future-use agreement with the retained spring training franchise, with priority given to the future-use agreement having the longest duration.
- f. The amount of the local match, with priority given to the largest percentage of local match proposed.
- g. The net increase of total active recreation space owned by the applying unit of local government following the acquisition of land for the spring training facility, with priority given to the largest percentage increase of total active recreation space.
- h. The location of the facility in a brownfield area, an enterprise zone, a community redevelopment area, or another area of targeted development or revitalization included in an urban infill redevelopment plan, with priority given to facilities located in those areas.
- i. The projections on paid attendance attracted by the facility and the proposed effect on the economy of the local community, with priority given to the highest projected paid attendance.
- (7) The Office of Tourism, Trade, and Economic
 Development shall notify the Department of Revenue of any
 facility certified as a facility for a new professional sports
 franchise or a facility for a retained professional sports
 franchise or as a facility for a retained spring training
 franchise. The Office of Tourism, Trade, and Economic
 Development shall certify no more than eight facilities as
 facilities for a new professional sports franchise or as

facilities for a retained professional sports franchise and 2 shall certify at least five as facilities for retained spring 3 training franchises, including in such total any facilities 4 certified by the Department of Commerce before July 1, 1996. 5 The number of certifications of facilities for retained spring training franchises shall be governed by subsection (5). The office may make no more than one certification for any 8 facility. The office may not certify funding for less than the requested amount to any applicant certified as a facility for 9 10 a retained spring training franchise. Section 3. This act shall take effect July 1, 2005. 11 12 13 14 SENATE SUMMARY 15 Provides for distributing a portion of revenues from the tax on sales, use, and other transactions to specified units of local government owning eligible convention 16 centers. Provides a procedure for certifying additional 17 facilities for a retained spring training franchise. Establishes a maximum number of certifications and the funding per application cycle. Clarifies the number of 18 certifications of facilities for retained spring training 19 franchises. 2.0 21 22 23 2.4 25 26 27 28 29 30 31